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Message Text

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ACTION SCI-06

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SAM-01 SP-03 SS-20 STR-08 TRSE-00 FRB-03 PA-04 PRS-01

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FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 4077

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E.O. 11652: N/A
TAGS: TGEN ENRG JA US
SUBJ: VISIT OF ENERGY R&D SURVEY TEAM, AUGUST 5-13

REF: (A) TOKYO 9927, (B) TOKYO 9876, (C) STATE 156945

SUMMARY: VISIT OF U.S. ENERGY R&D SURVEY MISSION PROVIDED CREDIBLE START FOR IMPLEMENTATION OF US-JAPAN ENERGY R&D AGREEMENT SIGNED BY SECRETARY KISSINGER AND AMBASSADOR NOMURA ON JULY 15, 1974. IN FOLLOW-UP IMPLEMENTING ACTIONS, I HOPE THAT FULL WEIGHT CAN BE GIVEN TO BENEFITS OF THIS ARRANGEMENT FOR RELATIONS BETWEEN THE TWO COUNTRIES. IT IS NOW IMPORTANT THAT WE GO BEYOND SHARING OF INFORMATION AND PERSONNEL, IMPORTANT AS THESE ACTIVITIES MAY BE, AND UNDERTAKE ONE OR MORE COOPERATIVE R&D PROJECTS. FURTHER DETAILS AND EMBASSY STAFF ANALYSIS OF VISIT, WITH WHIC I AGREE, FOLLOW. END SUMMARY.

1. US ENERGY R&D SURVEY TEAM HEADED BY JUSTIN BLOOM, DEPUTY DIRECTOR FOR TECHNOLOGY, OFFICE OF ATOMIC ENERGY AFFAIRS, SCI, COMPLETED
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I WORKING DAYS OF FIELD VISITS AND DISCUSSIONS WITH

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GOJ ENERGY R&D AUTHORITIES ON AUGUST 12. ON AUGUST 13,
4 US TEAM MEMBERS PARTICIPATED IN ENERGY R&D SYMPOSIUM
FOR JAPANESE INDUSTRIAL CONTRACTORS OF AGENCY OF
INDUSTRIAL SCIENCE AND TECHNOLOGY.

2. ENTIRE SURVEY VISIT, ARRANGEMENTS FOR WHICH WERE
EXCEPTIONALLY COMPLICATED BECAUSE OF VARIETY OF TOPICS
COVERED AND LARGE NUMBER (41) OF INDIVIDUAL SITES VISITED,
WAS CHARACTERIZED BY OUTSTANDING COOPERATION ON PART OF
GOJ AUTHORITIES. EVERY EFFORT WAS MADE TO ACCOMMODATE ALL
US REQUESTS FOR SITE VISITS, INCLUDING A NUMBER TO PRIVATE
FIRMS WHOSE WORK IS NOT COVERED BY ENERGY R&D AGREEMENT (ALTHOUGH
ANY CONTRACT WORK PERFORMED BY THESE FIRMS WOULD BE SO COVERED).
ARRANGEMENTS WERE FURTHER COMPLICATED BY FACT VISIT COINCIDED
WITH HEAVY VACATION SEASON IN JAPAN, BUT DIFFICULTIES WERE
OVERCOME BY EFFECTIVE COOPERATION OF AIST, WHICH TOOK
INITIATIVE IN RECEIVING TEAM. VISIT RECEIVED SUBSTANTIAL
COVERAGE IN BOTH JAPANESE AND ENGLISH LANGUAGE PRESS, WITH
MOST STORIES NOTING THAT THIS WAS FIRST IMPLEMENTING ACTION
UNDER ENERGY R&D AGREEMENT RECENTLY SIGNED IN WASHINGTON BY
SECRETARY KISSINGER AND JAPANESE AMBASSADOR YASUKAWA.
BLOOM AND PORTER WERE INTERVIEWED BY NIHON KEIZAKI SHIMBUN,
PRINCIPAL JAPANESE ECONOMIC AND BUSINESS NEWSPAPER, AND BY
MITI PRESS CORPS.

3. VISIT CONFIRMED THAT JAPANESE ENERGY RESEARCH AND
DEVELOPMENT PROGRAM (OTHER THAN NUCLEAR ENERGY, WHICH IS
ALMOST EXCLUSIVELY PRESERVE OF STA) IS FIRMLY IN HANDS OF AIST.
EARLIER EFFORTS ON PART OF STA TO STAKE OUT SIGNIFICANT ROLE
IN IMPLEMENTATION OF AGREEMENT, UNDOUBTEDLY AS MEANS OF
ENHANCING STA ROLE INTERNALLY IN ENERGY R&D PROGRAMS, LARGELY
FELL BY WAYSIDE, WITH STA ACKNOWLEDGING THAT PRIMARY
RESPONSIBILITY FOR IMPLEMENTATION OF MOST TOPICS OF
AGREEMENT LIES WITH MITI. EXCEPTION IS TOPIC (ITEM I OF
ARTICLE III OF AGREEMENT) ON ADVANCED PROPULSION SYSTEMS.
DISCUSSIONS REVEALED THAT THIS TOPIC, DESPITE TRANSPORTATION
THEME, WAS PROPOSED FOR AGREEMENT NOT BY MINISTRY OF TRANSPORT,
BUT BY STA, PARTLY, WE BELIEVE, TO ENSURE AN ACTIVE STA ROLE IN
IMPLEMENTATION OF AT LEAST SOME TOPICS OF AGREEMENT.
HOWEVER, THIS ITEM IS LIKELY TO PROVE TO BE USEFUL PEG FOR
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COOPERATION IN ENERGY-RELATED TRANSPORTATION ITEMS OF
INTEREST TO OTHER MINISTRIES BESIDES STA, FOR EXAMPLE, IN
FIELD OF LOW-POLLUTION POWER SYSTEMS DEVELOPMENT (MITI/EPA).

4. VISIT WAS ORGANIZED IN THREE STAGES: GENERAL ORIENTATION
MEETINGS IN TOKYO, SITE VISITS, AND SERIES OF WRAP-UP
MEETINGS IN TOKYO AGAIN. FOLLOWING DELEGATION MEETING
WITH AMBASSADOR HODGSON, TEAM ATTENDED OPENING SESSION

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CHAIRED BY YUTAKA NOMURA, DEPUTY DIRECTOR, ECONOMIC AFFAIRS BUREAU, FONOFF. GENERAL SESSIONS WERE FOLLOWED BY COUNTERPART MEETINGS, IN WHICH ONE OR TWO OF TEAM MEMBERS MET GOJ OFFICIALS (PRINCIPALLY FROM AIST) WITH TECHNICAL ADMINISTRATIVE RESPONSIBILITY FOR VARIOUS TOPICS WITHIN GOJ'S ENERGY R&D PROGRAM. SITE VISITS BEGAN TUESDAY AFTERNOON AND EXTENDED THROUGH SATURDAY MORNING, AND INCLUDED PRINCIPAL SITES CONDUCTING WORK IN EACH TOPIC COVERED BY ENERGY R&D AGREEMENT. FOLLOWING RETURN TO TOKYO, FURTHER COUNTERPART SESSIONS WERE HELD, WITH CONCLUDING GENERAL MEETING TAKING PLACE ON AFTERNOON OF AUGUST 12.

5. IN DISCUSSIONS OF OVERALL IMPLEMENTATION OF AGREEMENT WITH MATSUMOTO, DIRECTOR-GENERAL, AIST, AIST COUNSELOR NEBASHI (WHO IS CLEARLY IN EFFECTIVE CHARGE OF AGREEMENT IMPLEMENTATION FOR AIST), AND OTHERS, BLOOM OBSERVED THAT US PROGRAM HAD EARLIER START AND WAS ON MUCH LARGER SCALE THAN THAT OF JAPAN, US APPROACH, THEREFORE, IS TO ACHIEVE RECIPROCAL AND REASONABLY BALANCED EXCHANGES OVER LONG-RUN. WHILE INITIAL IMPLEMENTATION WOULD BE LARGELY IN THE NATURE OF EXCHANGES OF INFORMATION AND PERHAPS PERSONNEL, US HAD DEFINITE INTEREST IN UNDERTAKING JOINT PROJECTS, AND HOPED THAT EARLY EXCHANGES WOULD LEAD TO IDENTIFICATION OF OPPORTUNITIES FOR MUTUALLY BENEFICIAL COOPERATIVE ENDEAVORS.

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INR-11 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SP-03 SS-20 STR-08 TRSE-00 FRB-03 PA-04 PRS-01

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6. BLOOM INDICATED THAT US PROCEDURE IN IMPLEMENTING AGREEMENT WOULD BE TO REPORT RESULTS OF TEAM VISIT TO RESPECTIVE US GOVERNMENT AGENCIES, WHO WOULD THEN DEFINE ON COLLECTIVE BASIS AREAS OF MUTUAL INTEREST WITH JAPAN AS A BASIS FOR NEGOTIATING THE AGENCY-TO-AGENCY IMPLEMENTING ARRANGEMENTS CALLED FOR BY THE AGREEMENT. BLOOM SUGGESTED THAT GOJ CONCURRENTLY SEEK TO FRAME ITS PROPOSALS FOR THE SCOPE OF IMPLEMENTING ARRANGEMENTS AND PROPOSALS FOR COOPERATIVE PROJECTS. HE EMPHASIZED THAT IN THE US VIEW THE SCOPE OF THESE IMPLEMENTING ARRANGEMENTS SHOULD BE CAREFULLY DEFINED, AND WOULD NOT NECESSARILY INCLUDE ALL US R&D PROGRAMS IN THE RESPECTIVE AREAS OF COOPERATION SPECIFIED IN THE AGREEMENT. HE ALSO NOTED THAT WHILE DEVELOPMENT OF THE IMPLEMENTING ARRANGEMENTS IN MOST OR ALL OF THE AGREEMENT AREAS MIGHT BE STARTED CONCURRENTLY, SOME WOULD UNDOUBTEDLY PROCEED MORE QUICLY THAN OTHERS, AND THAT IMPLEMENTATION IN AREAS WHERE AGREEMENT HAS BEEN REACHED WOULD NOT BE DELAYED PENDING AGREEMENT ON OTHERS. BLOOM ALSO EMPHASIZED THE US "LEAD AGENCY" CONCEPT, AND STATED THAT IMPLEMENTING ARRANGEMENTS IN ANY GIVEN FIELD WOULD BE MADE BY LEAD AGENCY ON BEHALF OF ALL USG AGENCIES UNDERTAKING
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ENERGY R&D IN THAT FIELD. IN FACT, HE SUGGESTED, IT MIGHT BE FEASIBLE AND WORTHWHILE TO CONSOLIDATE IMPLEMENTING ARRANGEMENTS ON SEVERAL TOPICS IN A SINGLE DOCUMENT, SINCE A NUMBER OF THE PROVISIONS OF SUCH ARRANGEMENTS WOULD UNDOUBTEDLY BE STANDARD. BLOOM INDICATED THAT US HOPES TO BE READY TO EXCHANGE VIEWS ON SCOPES OF IMPLEMENTING ARRANGEMENTS AND BEGIN NEGOTIATION OF THESE ARRANGE-MENTS BY OCTOBER OF THIS YEAR. IN DISCUSSIONS WITH AIST AND FONOFF, IT WAS AGREED THAT DECISION ON PLACE AND TIME OF ANNUAL POLICY LEVEL REVIEW SHOULD AWAIT FURTHER PROGRESS IN IMPLEMENTING THE AGREEMENT.

7. AIST OFFICIALS EXPRESSED SOME SURPRISE THAT IMPLEMENTING ARRANGEMENTS WOULD BE MADE BY "LEAD AGENCIES" ON BEHALF OF ALL AGENCIES ACTIVE IN RESPECTIVE FIELDS, AND REQUESTED TIME TO CONSIDER IMPLICATIONS OF THIS APPROACH FOR GOJ. IN SUBSEQUENT SESSION, AIST INDICATED THAT IT FAVORS CORRESPONDING APPROACH ON PART OF GOJ, WITH AIST BEING RESPONSIBLE AGENCY FOR IMPLEMENTATION ON ALL TOPICS OTHER THAN ADVANCED PROPULSION SYSTEMS. AIST OFFERED TO PROVIDE BLOOM WITH
LIST OF OFFICIALS WHO WOULD BE RESPONSIBLE FOR DEVELOPMENT OF IMPLEMENTING ARRANGEMENT IN EACH AREA AND ASKED FOR CORRESPONDING LIST FROM USG WHICH BLOOM AGREED TO PROVIDE AFTER HIS RETURN TO

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US. HOWEVER, NEBASHI REQUESTED THAT THIS CONCEPT NOT BE DISCUSSED AT FINAL PLENARY SESSION, OR WITH OTHER GOJ AGENCIES, THUS CLEARLY ACKNOWLEDGING IT NOT YET ACCEPTED WITHIN GOJ.
EMBASSY COMMENT: WHILE AIST ASSUMPTION OF LEAD AGENCY RESPONSIBILITY FOR IMPLEMENTATION OF MOST OF AGREEMENT TOPICS WOULD BE ADMINISTRATIVELY DESIRABLE FROM US STANDPOINT, EMBASSY HAS SOME DOUBT THIS WILL COME TO PASS, AND BELIEVES USG SHOULD TAKE NO ACTIVE PART IN PUSHING IT. AS DEPT RECALLS, US PROPOSAL FOR DESIGNATION OF "POINT OF COORDINATION" WAS MAJOR STUMBLING BLOCK IN NEGOTIATION, WHICH WE AGREED TO ELIMINATE. US INSISTENCE AT THIS STAGE ON CONFINING IMPLEMENTING ARRANGEMENTS TO A SINGLE GOJ AGENCY FOR EACH TOPIC, IF OTHER AGENCIES HAVE MEANINGFUL PROGRAMS IN THESE AREAS, WOULD BE CONTRARY TO THE SPIRIT OF OUR EARLIER DELETION OF "POINT OF COORDINATION" REQUIREMENT. END EMBASSY COMMENT.

8. FOLLOWING DISCUSSIONS WITH GOJ, BLOOM BRIEFED AMBASSADOR HODGSON ON RESULTS AND HIS VIEWS ON FUTURE STEPS IN IMPLEMENTATION OF AGREEMENT.
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EMBASSY COMMENT: EMBASSY BELIEVES THAT VISIT WAS EXTREMELY USEFUL IN PROVIDING SOLID BASIS OF UNDERSTANDING OF JAPANESE ENERGY R&D PROGRAMS, AS WELL AS ESTABLISHING DIRECT CONTACT BETWEEN US AND JAPANESE ENERGY R&D PROGRAM ADMINISTRATORS. WHILE DETAILED ASSESSMENT OF JAPANESE PROGRAM WILL BE PROVIDED BY TEAM MEMBERS, EMBASSY UNDERSTANDING IS THAT, AS EXPECTED, GOJ PROGRAM IN MANY AREAS IS JUST GETTING UNDERWAY, BUT HAS PROSPECTS FOR SUBSTANTIAL FUTURE ACCOMPLISHMENT, AND PROBABLY REPRESENTS LARGEST SINGLE ENERGY R&D EFFORT UNDERWAY OUTSIDE US. IT ALSO BECAME APPARENT THAT GOJ ENERGY RELATED R&D EFFORT IS CONSIDERABLY BROADER THAN "PROJECT SUNSHINE" ALONE, AND THAT GOJ BUDGETING METHODS CONSIDERABLY UNDERSTATE SCALE OF R&D
EFFORTS, SINCE BUDGET FIGURES EXCLUDE
PERSONNEL COSTS. EMBASSY STRONGLY SUPPORTS CONCEPT THAT, IN DECIDING ON LEVEL OF IMPLEMENTATION OF AGREEMENT, NECESSARY BALANCE SHOULD BE EVALUATED OVER REASONABLY LONG TERM, RATHER THAN ON BASIS OF CURRENT EFFORTS ALONE. WE BELIEVE THAT THIS APPROACH CAN ACT AS IMPORTANT STIMULANT TO EXPANSION OF GOJ ENERGY
R&D EFFORTS,
TO OUR MUTUAL BENEFIT. EVALUATION OF MUTUAL BENEFIT, IN OUR VIEW, SHOULD ALSO GIVE FULL CREDIT TO FACT THAT GOJ PROGRAM IS RELATIVELY STRONGER IN SOME FIELDS NOT EMPHASIZED IN US.
THUS, BALANCE SHOULD NOT BE CONSIDERED ON TOPIC-BY-TOPIC BASIS ALONE, BUT OVERALL BASIS.

9. EMBASSY ALSO STRONGLY BELIEVES THAT IMPLEMENTATION SHOULD GO BEYOND INFORMATION AND PERSONNEL EXCHANGES AND INCLUDE, AS SOON AS PRACTICABLE, ONE OR MORE JOINT R&D PROJECTS. WHILE WE
RECOGNIZE THAT SUCH
COOPERATIVE UNDERTAKINGS ARE ADMINISTRATIVELY COMPLEX,

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PARTICULARLY WHEN PRIVATE SECTOR SUB-CONTRACTING IS INVOLVED,
WE BELIEVE
THAT ONLY THROUHG SUCH JOINT ACTIVITIES WILL FULL BENEFITS OF
AGREEMENT BE REALIZED, BOTH IN TERMS OF REDUCING COST OF ENERGY
R&D FOR BOTH US AND JAPAN AND CONTRIBUTING TO STRENGTHENED
RELATIONSHIPS BETWEEN THE TWO NATIONS.
HODGSON

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Draft Date: 22 AUG 1974
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Decaption Note:
Disposition Action: RELEASED
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Disposition Authority: boyleja
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From: TOKYO
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